

# Bridging the skills gap: fuelling careers and the economy in Asia-Pacific



Supported by



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# About this report

Bridging the skills gap: fuelling careers and the economy in Asia-Pacific is a report from Economist Impact, supported by Google, aimed at exploring skills gaps in the region. The report contains key insights on reskilling and upskilling in 14 markets in the region, derived from extensive desk research, a primary research survey and expert interviews, and produced by a team of Economist Impact researchers:

Charles Ross, Project director

Ritu Bhandari, Project manager

Bilge Arslan, Analyst

Divya Sharma, Analyst

Siddharth Poddar, Editor

Primary research survey: Economist Impact conducted a survey of 1,375 employees across APAC. The survey was conducted between November 2022 and January 2023, with the goal of understanding employees' perspectives on the region's skills gaps.

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Markets covered	Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam
Sample size	Economist Impact surveyed 1,375 employees from 16 industries. The majority of these executives work in the following five industries:  Retail or wholesale trade (13%)  Manufacturing (12%)  Technology (9%)  Educational services (9%)  Construction (9%)

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Expert interviews: We would like to thank the following experts for their participation in the research for this project:

- Akiko Sakamoto, skills development and employability specialist, International Labour Organisation (ILO)
- Asia-based recruiter from a top multinational corporation
- Emre Demokan, lead product manager, SmartRecruiters
- Gagan Bhargava, vice president, people insights and data excellence, Schneider Electric
- Kabir Nath, principal, talent strategy, Mercer, Singapore
- Krishna Raghavan, chief people officer, Flipkart, India
- Muneaki Goto, representative director, Japan Reskilling Initiative
- Patrick Kidd, chief executive officer, Digital Skills Organisation, Australia
- Phil Loveder, executive manager, inform and engage, National Centre for Vocational Education Research (NCVER), Australia
- Saad Gilani, senior programme officer, International Labour Organisation (ILO)
- Sean Hinton, chief executive officer and founder, SkyHive
- Simon Walker, managing director, National Centre for Vocational Education Research (NCVER), Australia
- Soon Joo Gog, chief skills officer, SkillsFuture, Singapore
- Ved Mani Tiwari, chief executive officer, National Skill Development Corporation (NSDC), India

# Executive summary

The nature of jobs and skills requirements are changing rapidly across the Asia-Pacific region (APAC). The fast pace of transformation is forcing business leaders to quickly identify looming skills gaps and prepare their workforces for the future, giving clear direction to employees on how to build the skills they will need to thrive. Getting ahead of these skills gaps will require investment, leadership, and clear communication about the effects of trends like digitisation and automation on future skills needs.

To explore these issues, Economist Impact conducted a research programme consisting of a survey of employees, an extensive literature review, and interviews with employers and industry experts. Focusing on a time frame of three to five years into the future, this research has identified the most important trends driving demand for particular skills, gaps in workforce expertise, and motivations for upskilling and reskilling. This report details these findings and outlines some key steps to address critical skills gaps in APAC.

This research comes at a critical time, when the world of work is changing faster than ever before. Workers are looking for flexible workplaces and a new sense of purpose in their careers, and businesses will need to rethink their priorities and look for top talent in a highly uncertain economic environment.

Informed by our research, Economist Impact offers the following key insights and takeaways on reskilling and upskilling in APAC.

- **Trends like digitalisation and sustainability are driving skills gaps in APAC.** About 86m workers in APAC, need to be upskilled or reskilled with advanced digital skills to match the pace of technological change.<sup>1</sup> As government regulations and consumer awareness drive sustainability to the top of the business agenda, firms will increasingly scramble for green talent.
- **Advanced digital skills are a differentiator for employees.** Demand for advanced digital skills increased during the pandemic. Business processes rapidly digitised and the use of big data became imperative, aggravating the advanced digital skills gap in areas like artificial intelligence (AI), cloud computing and cybersecurity. As a result, employees with these skills now have greater bargaining power when negotiating for salary, flexibility and training opportunities. For some workers, however, the digital divide—including low levels of digital literacy—remains a barrier to acquiring these skills.
- **Soft skills are important in career progression.** Employees in our survey reported that soft skills are one of the most

important considerations for promotion in their organisations, suggesting their importance in career progression. Soft skills such as adaptability, self-management and learning agility are increasingly crucial in all roles in a highly uncertain economic environment, and are equally crucial to new ways of working that have emerged since the onset of the pandemic.

- **Businesses and industry could identify and clearly communicate the skills that are in demand, and make upskilling an integral workplace activity.** Most employees remain unclear about the skills needed for different roles. Employers can provide greater clarity for employees by tracking data on existing skill sets, as well as those required for different roles. AI and ML (machine learning) can help to simplify the collection and analysis of huge data sets on skills, enabling organisations to make better-informed hiring and compensation decisions. Such efforts can also help to motivate employees who consider skills-based pay and greater bargaining power the top motivations for upskilling. In addition to financial incentives, survey respondents expect employers to support their well-being, which can considerably affect employees' motivations to upskill and reskill. Additionally, organisations could make upskilling a

workplace activity, thereby integrating it in employees' career paths.

- **Governments could align skilling strategies with the broader goals and policy priorities of the economy.** Governments could proactively collaborate with industry, universities and training providers to enable equal access to skilling programmes. Employees expect governments to play a key role in providing access to diversified skilling programmes and recognitions such as certifications. Governments can specifically target low-skilled workers and SMEs (small and medium enterprises) who lack the resources and knowledge to upskill or reskill.
- **Short courses and targeted training programmes ranging from online courses and microcredentials to bootcamps are gaining importance.** These training methods driven by employer inputs and assessed on the basis of job performance can be effective learning methods. More than half of employees in our survey reported that firms value online certificates and trust they adequately reflect the skills acquired, underscoring their significance in reskilling and upskilling workers. On the other hand, over 60% of our survey respondents believe that college degrees are still relevant to workplace needs, but universities must ensure they offer up-to-date education that reflects the evolving job market.

# Asia's labour market landscape

The covid-19 pandemic triggered massive disruption in labour markets across APAC as employment dropped by 3.1%, leaving 58m fewer people with jobs. Within the region, South Asia was the hardest hit.<sup>2</sup> The pandemic particularly affected young people, who are more likely to “work in less-secure, lower-wage employment, with limited legal rights, social protection and representation.”<sup>3</sup>

At the same time, many firms in APAC were propelled ten years ahead of schedule on their digitalisation journeys.<sup>4</sup> This led to many businesses (such as those in e-commerce) experiencing remarkable growth, equivalent to what they would have otherwise seen in five years.<sup>5</sup> This digitalisation boom exacerbated skills gaps in both the public and private sectors, as organisations searched for new hires with the necessary digital skills to navigate this workplace transformation.<sup>6</sup> Along with fast digitalisation,

skills gaps in Asia are driven by more businesses prioritising sustainability, as a result of rising consumer awareness and greater government regulation in this area. Mindful of these trends, firms are increasingly scrambling for talent who can help them drive their green transformations.

Many employees, meanwhile, are seeking more meaningful careers and roles since the onset of the pandemic, and are choosing to prioritise flexibility and work-life balance. This chapter covers key labour market trends that are driving skills gaps in the region.

## The region faces yawning skills gaps

Recovering from the effects of the pandemic and adjusting to a highly uncertain macroeconomic environment has led many firms to rethink their business priorities, creating demand for new skills such as advanced digital skills and soft skills. Experts warn that in many sectors, digitalisation in the past couple of years has been so rapid that firms are unable to upskill their workers fast enough to cope with the changes, creating yawning skills gaps.

Three-quarters of APAC employers, government officials and academics believe their country\* has a “significant digital skill gap”, with employers

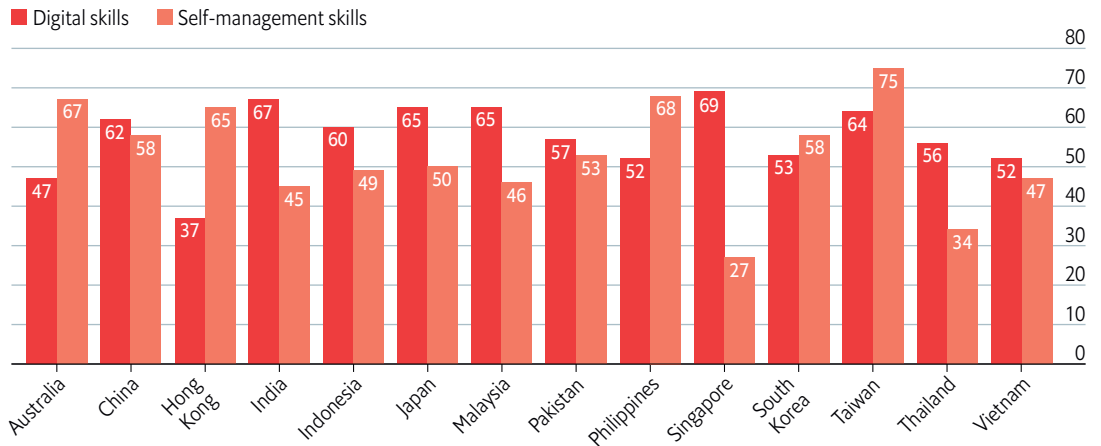
# 75%

**of APAC employers, government officials and academics believe their country has a significant digital skill gap.**

\* Countries include Australia, India, Indonesia, Japan, Singapore and South Korea

**Figure 1: Importance of digital and self-management skills among APAC employees**

Which skill categories do you think are the most important for the workforce in your sector to acquire today? (% of respondents)



Source: Economist Impact, 2023.

facing difficulties in filling positions requiring advanced digital skills.<sup>7</sup> In fact, the existing gaps are so large that an estimated 86m workers (includes digitally skilled workers and non digitally skilled workers who are estimated to need digital skills training in the next year as per the source) would need to be upskilled or reskilled to keep up with the pace of technological change according to a study by Amazon Web Services (AWS).<sup>8</sup> Other regions face similar gaps. In Europe, 55% of companies report difficulties in recruiting information and communication technology (ICT) specialists,<sup>9</sup> and in the United States, just 33% of the workforce possessed advanced digital skills in 2021.<sup>10</sup>

The role of leaders and managers has also evolved as organisations embrace flexibility and employees adopt hybrid working. Skills such as emotional intelligence and interpersonal skills have become key to maintaining workforce productivity.<sup>11</sup> Employee sentiments reflect these changes, with more than three-quarters

(75.6%) of respondents to our Economist Impact survey across APAC markets identifying “self-management”—involving stress tolerance and resilience—as among the most important skills in their respective sectors, even more important than other popular skills like basic digital skills (73.9%).

Sustainability is another growing priority for businesses across the region, leading to a rise in demand for green skills. Between 2015 and 2022, green talent grew as a share of the global workforce from 9.6% to 13.3%,<sup>12</sup> and this number is likely to increase rapidly in the coming years as the focus on sustainability intensifies. Sean Hinton, chief executive officer and founder at SkyHive, expects the shift to green jobs—which is currently driven by government regulation—to proliferate across all sectors, from manufacturing to supply chains to finance. “Green is going to represent a big part of the next five years in terms of job creation,” he explains.



### **The Asian labour market is characterised by changing demographics and a stark digital divide**

Despite growing digital penetration, most APAC markets continue to experience high usage gaps—where people have access to a mobile network but do not use the internet—due to poor digital literacy. In some markets with high levels of digital literacy, 40% of the entire population lack basic ICT skills (including word-processing, internet and email skills). In countries like Pakistan and the Philippines, this percentage is even higher, hovering around 90% of the total population.<sup>13</sup> Moreover, more than 30% of our survey respondents in these countries along with Malaysia reported poor internet issues as a barrier to learning new digital skills.

Our survey results reflect this digital divide, with over half of our respondents (57.6%) identifying digital skills as the most important area for upskilling and reskilling. Almost three-quarters of this subset of respondents (73.9%) identified basic digital skills as the most important digital skills to have (including operating basic office software, such as Microsoft Office; and setting up internet and digital communication tools).

**30% or more employees in Malaysia, Pakistan and the Philippines reported poor internet access as a barrier to learning new digital skills.**

An ageing population adds another layer of complexity to APAC's workforce challenges. By 2050, one in four people in APAC will be aged 60 or older, signalling that the population is ageing at a pace unmatched elsewhere in the world.<sup>14</sup> More than a third of the population in Japan, South Korea and Singapore will be aged 65 and over by 2050.<sup>15</sup> This is directly affecting the types of

jobs in demand in the healthcare sector, in addition to driving worker shortages in the sector. Few APAC markets are currently reaching the threshold of 44.5 skilled health workers per 10,000 people,<sup>16</sup> and this could get worse. "Younger populations are not putting up their hand for the fundamental jobs that deliver the fabric of an economy such as nurses, teachers and social workers," Mr Hinton explains.

# Skills in demand

APAC needs a workforce with wide-ranging skill sets—one that can leverage digital technologies while adapting to the region's unique macroeconomic challenges. While employees currently consider basic digital skills to be the most important, our research finds that other skills like advanced digital skills, soft skills and green skills are becoming important differentiators for employees across many industries.

## 50%

**of respondents consider cybersecurity and data analysis as “must-have” digital skills.**

### **Advanced digital skills are a differentiator for employees**

The Economist Impact survey highlighted the increasing importance of advanced digital skills among APAC employees. Nearly 50% of the employees identified cybersecurity and data analysis and visualisation as must-have skills, while categorising skills such as digital marketing, process automation, coding, AI and ML as good to have (Figure 2). These advanced

digital skills are particularly popular in economies such as Singapore and India, where talent who possess coding, programming and AI skills are increasingly in demand.<sup>17</sup>

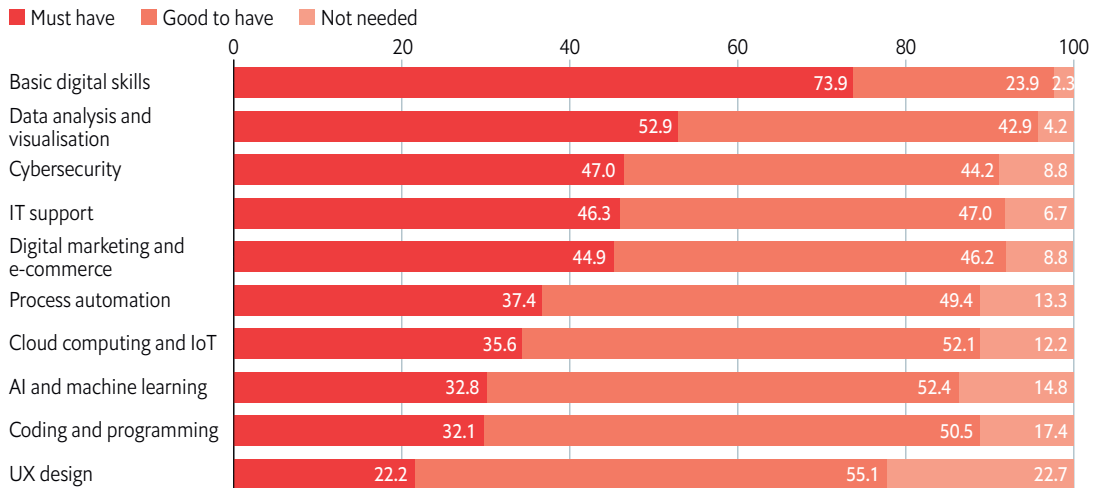
Decision-makers in IT connect a shortage of relevant talent with a skills gap, particularly in cloud computing, AI, ML and security software development, including cybersecurity.<sup>18</sup>

**Cloud skills** are in high demand as organisations increasingly try to shift their technological operations to the cloud to reduce both the cost and complexity of their IT infrastructure.<sup>19</sup> Investment in the cloud has soared in the past five years in APAC, with average growth of 40% each year between 2015 and 2020, reaching \$43bn across the focus markets. Demand for public cloud services will continue and is expected to triple to more than \$116bn by 2024.<sup>20</sup> Organisations are prioritising roles in cloud administration, cloud development, cloud architecture, multi-cloud and hybrid-cloud management, workload-centric management and DevOps to build their cloud environment.<sup>21,22</sup>

**Artificial intelligence** is another digital skill in demand in APAC.<sup>23</sup> Within the region, the AI adoption rate is highest among companies in India.<sup>24</sup> The country almost doubled its AI workforce from 40,000 in 2018 to 72,000 in 2019 by training software engineers to become data

**Figure 2: Snapshot of digital skills considered most important by employees**

What kind of digital skills are must have, good to have or not needed for the workforce in your sector today? (% of respondents who chose digital skills as one of the top most important skills)



Source: Economist Impact, 2023.

scientists and ML specialists.<sup>25</sup> Elsewhere in the region, technology companies in Japan and South Korea are responsible for the largest numbers of AI patent filings, according to the World Intellectual Property Organization. Nonetheless, a 2022 study revealed that 26% of IT decision-makers in APAC reported a significant skills gap in AI/ML aptitude—the second most cited talent shortage after cloud computing specialists.<sup>26</sup> In addition to the education and technology sectors, which will benefit significantly from AI-based tools for research and analysis, other sectors like business services, manufacturing and finance will see widespread use of AI in their processes.<sup>27</sup>

**Cybersecurity skills** are in particularly high demand in APAC due to the region’s vulnerability to cyberattacks.<sup>28</sup> Globally, 60% of organisations face difficulties hiring employees with

cybersecurity skills, and 52% struggle to retain the talent.<sup>29</sup> According to a 2022 report by Kroll, 59% of organisations in APAC have experienced a cyber incident, a third of which (32%) have suffered multiple incidents.<sup>30</sup> Although the region’s cybersecurity workforce experienced the greatest growth in 2022, at 15.6%, it still has the largest workforce shortage after Latin America, placing many firms at extreme risk.<sup>31</sup> Our survey found that cybersecurity skills are among the top must-have skills for employees.

However, experts highlight that the region’s digital divide is creating an imbalance in bargaining power, favouring highly skilled workers who possess advanced digital skills. This highly skilled workforce expects not only better salaries, but also greater flexibility and more training opportunities when choosing their employers.

### Soft skills are crucial for career progression

Most respondents in our survey (56.8%) reported that soft skills training had a significant impact on improving leadership skills and empathy. Employees also ranked soft skills as the second most important factor leading to promotion, after work experience and ahead of technical skills. Analysis by Australian university RMIT found that employees with soft skills could benefit from a 7% wage premium from Australian businesses.<sup>32</sup> While employees in APAC recognise the importance of acquiring soft skills to advance their careers and move into more senior roles, they consider them less important in their current roles.

In the Association of Southeast Asian Nations (ASEAN), young employees believe that soft skills—including adaptability, communication and

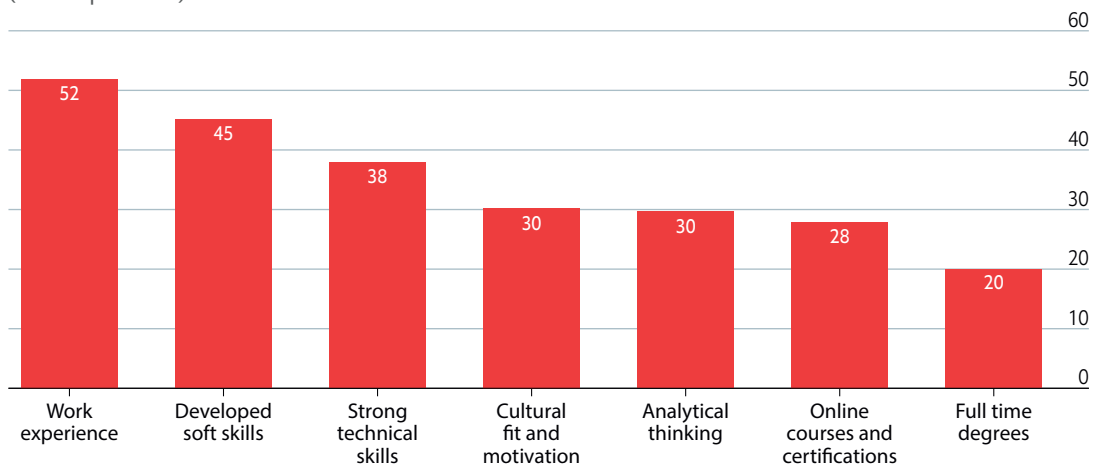
resilience—will be more valuable in the future than hard skills.<sup>33</sup> However, opinions on this vary across the region, depending on which sectors dominate in a particular market. For instance, younger employees in Singapore place greater emphasis on the analytical skills required in high-value-added activities, while younger employees in Thailand see emotional intelligence as a more critical asset, given the importance of hospitality and tourism to the economy.<sup>34</sup>

### Growing interest in green skills

A majority of the young workforce in APAC hope to get a job in the green economy (for example, in clean energy, sustainable products or circular economies) within the next ten years.<sup>35</sup> While our survey shows that the pandemic has motivated employees to explore more meaningful careers and acquire green skills, most respondents are unsure of how this translates into a career.

**Figure 3: Soft skills are important in promotion decisions**

Which skills or qualifications does your organisation consider most important when promoting existing candidates? (% of respondents)



Source: Economist Impact, 2023.

Despite a growing demand for green jobs in APAC, the region relatively lags behind other regions. For instance, growth rate in green job hiring was slower in APAC between 2016 and

2021 (at 30%), compared with other regions like the United States (70%) and Europe (41%).<sup>36</sup> Akiko Sakamoto, a skills development and employability specialist at the International

**Figure 4: Respondents are unsure of the benefits of green skills**



Source: Economist Impact, 2023.

Labour Organisation (ILO), acknowledges this mismatch: “In the construction industry” she says, “you might promote green skills but where the business model is not yet shifting to promote green, energy saving or environmentally friendly construction practices, the demand for green skills isn’t there yet”.

Experts say that green skills will soon be required across industries, including finance, and that demand for these skills will span different aspects of business. For instance, the finance sector in China was among the leading recruiters of green talent in 2021, in line with the government’s plans to foster a green finance system and encourage green lending and investment.<sup>37</sup> “Private equity specialist” was the fastest growing green job in China between 2016 and 2021, demonstrating greater recognition of environmental, social and governance (ESG) factors as integral parts of investment management.<sup>38</sup>

**30%**  
**Growth rate of hiring green talent between 2016 and 2021 in APAC, lower than US (70%) and Europe (41%).**

# Barriers and best practices to address Asia-Pacific's skills gaps

When asked about the benefits of upskilling and reskilling, most employees in the Economist Impact survey (62.3%) reported that it had a big impact on improving their performance in their current roles. More than half of respondents (58%) also reported that upskilling and reskilling had a big impact on improving their salary or bargaining power. Nonetheless, critical challenges continue to pose barriers to upskilling and reskilling, including employee uncertainty about the skills needed, lack of time, the high cost of courses and a lack of opportunities to apply skills.

## **A clear and comprehensive classification can address the issue of lack of clarity on skills**

Employees lack clarity on the value of skills. In the Economist Impact survey, 56.6% of employees agreed that they generally have a poor understanding of skills needed in the market. Employers are not using detailed data to determine the relevance of specific skills for particular job roles or the premium that a particular skill commands in the market, claims Mr Nath. He says, "If you need employees to own their learning, remember that nothing changes employee behaviour more than compensation, yet most of the skills premium data available today is scarce and inaccurate." Mr Hinton

underscores the need for a comprehensive skills taxonomy that provides a common language and clear classification of skills, especially in emerging industries like sustainability where even essential competencies remain undefined, he says.

Technology and data-driven approaches can help industries develop a comprehensive skills taxonomy. An ILO study concluded that AI and ML—using online job postings and applicant profiles as data sources—can be used to examine a market's skills dynamics.<sup>39</sup> The National Institute of Economic and Social Research in the UK, for example, uses natural language processing technologies to collect and analyse data from online job advertisements in order to identify and group similar and distinct skills and classify them to create a skills taxonomy.<sup>40</sup> This skills taxonomy can then be used to develop a definitive playbook for organisations and communities—for example, on how to develop a sustainable green workforce. It can outline the types of roles that will go through a green transition, the core green skills required in these roles and the best ways to acquire these skills.

This can enable firms to shift towards skills-based hiring. Our survey revealed that 66.5% of employees believe that organisations are already shifting the focus of hiring from full-time degrees to skills-based qualifications. While existing qualifications are a core focus for hiring

**Key takeaway:**

**A clear taxonomy can enable skills-based hiring by mapping each skill to a job role.**

firms, one Asia-based recruiter suggests that companies can close skills gaps by including “potential” as a key assessment metric—in other words, “hiring candidates who demonstrate learning capacity and passion”. Another expert agrees, arguing that “the lens of job titles” obscures the potential of the labour pool, triggering the global rise of skills-based hiring.

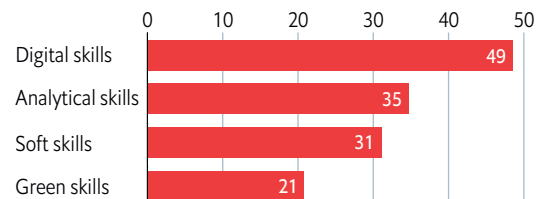
### Targeted short programmes can facilitate the effective use of employees’ time

Lack of time is the biggest hurdle to learning a new skill (regardless of skill type), as most employees juggle long working hours and caregiving responsibilities. Another issue our survey highlights is the lack of targeted training programmes. Patrick Kidd, chief executive officer at Digital Skills Organisation, explains that “the one size fits all qualification is too simplistic, does not meet the needs of a diverse range of learners and will not generate the numbers needed.” Mr Tiwari in agreement describes the approach as “less beneficial and costlier”. The lack of suitable training programmes in organisations is concerning, as our survey suggests that APAC employees largely rely on workplace training to acquire different skills (Figure 5).

When employees do undergo training, they are unsure about how to apply their new-found

### Figure 5: Many employees rely on workplace training to acquire new skills

The skills employees acquire from workplace training (% of respondents)



Source: Economist Impact, 2023.

skills. Our survey revealed that about a fifth of employees, depending on the type of skill, identified a “lack of opportunities to practise the skills learnt” as one of the top three challenges to learning new skills.

In a highly uncertain labour market, it has become an economic imperative to ensure that both high-skilled and low-skilled workers have access to training and opportunities to remain competitive throughout their working lives. Training providers and employers can support lifelong learning by providing short-term, specialised courses and microcredentials—that is, online certifications focused on a particular area of expertise—which are becoming more commonly accepted.<sup>41</sup> More than half of the employees (57%) in the Economist Impact survey reported that their employers value online certificates and believe that they effectively train workers in new skills. Simon Walker, managing director of the National Centre for Vocational Education Research, explains that for regulated industries in Australia, such as “mining, construction and engineering”, short courses and microcredentials have become key for businesses “to fulfil occupational licensing requirements”.

While these new pathways for education and learning have become increasingly popular,

**Key takeaway:**

**Organisations can make learning a key part of an individual's career cycle.**

traditional degrees still serve as an important signal for employers who are hiring, especially as these credentials help speed up the filtering process, notes an Asia-based recruiter from a

top multinational corporation. In the Economist Impact survey, 64.3% of employees agreed that education received at undergraduate and graduate levels remains relevant and useful in the workplace. Ms Sakamoto emphasises the continued importance of primary and secondary education in building “personal characteristics and transformational skills such as the ability to learn, curiosity, perseverance and resilience—qualities that cannot be nurtured in a one-week training course”.

#### **Sharing the responsibilities of designing and implementing skilling programmes**

Skilling programmes designed and implemented through stakeholder collaboration, representing both industry and workers, can benefit employees significantly. Mr Nath cites Singapore's SkillsFuture campaign which leverages industry and training ecosystem support to drive skilling initiatives for mid-career talent, especially for roles that require advanced digital skills such as automation engineers, ML specialists, product engineers and industrial design engineers.<sup>42</sup> In 2019, about 500,000 individuals and 14,000 enterprises benefited from this government initiative, with 86% of over 43,000 trainees reporting that the training improved their work performance.<sup>43</sup> Soon Joo Gog, chief skills officer at SkillsFuture, explains, “In Singapore, tripartism is in our DNA. We constantly explore how the government, labour unions, employer groups, institutes of higher learning and skills development partners can work closely together to support the skills development needs of our workforce and businesses. This partnership helps to create a competitive economy that is a win-win not just for businesses and the workforce.”

#### **Diverse financial incentives can address the issues around cost of courses**

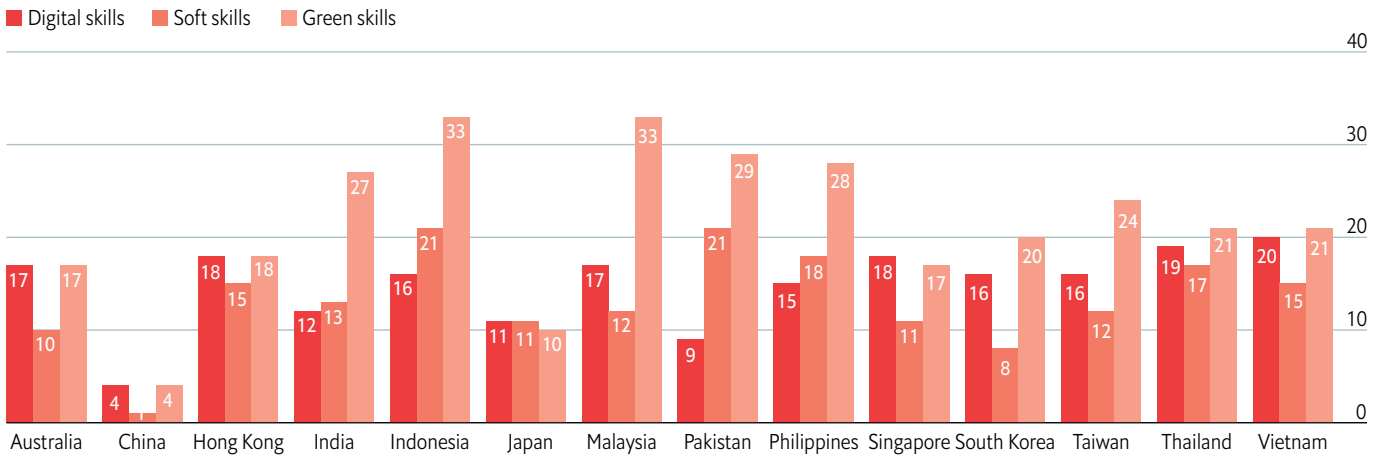
Survey respondents pointed to the high cost of courses as the second biggest challenge in acquiring new skills. However, a majority of employers do not plan to significantly increase their investment in lifelong learning, although most believe that the success of their organisation will depend on continual reinvention of the workforce through lifelong

learning. Experts argue that this lack of investment could be a result of employees changing jobs frequently, which means that employers repeatedly incur the costs of hiring and training new staff. This challenge is especially significant for small and medium-sized enterprises (SMEs). A 2022 Economist Impact survey of employers (senior executives and above) revealed that larger firms with more resources were able to better support their workforces' professional development, compared with SMEs.



**Figure 6: Government subsidies as motivation for learning new skills**

What best describes your motivation to acquire new skills? (% of respondents who selected the option “Government subsidies for learning”)



Source: Economist Impact, 2023.

**Key takeaway:**

**Financial incentives, workplace flexibility and concern about worker well-being could motivate employees to upskill and reskill.**

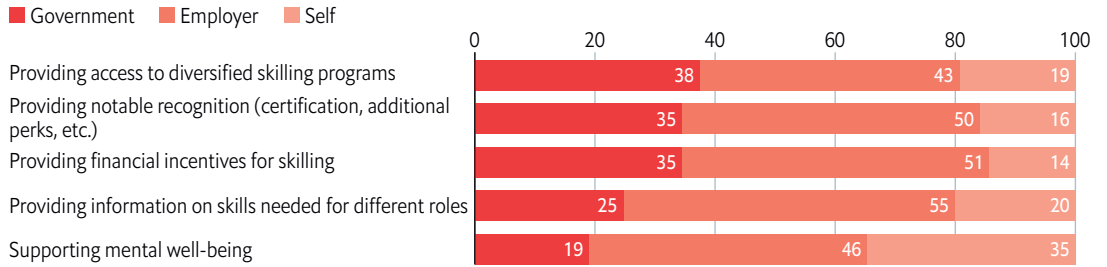
Experts highlight the role of different institutions in bridging this finance gap. “Governments can play vital role in planning for emerging disruptive workforce challenges by fostering closer collaboration between industry, training providers and individuals through dynamic economic incentives”, says Mr Nath. Our survey highlights government subsidies as one of the motivations for acquiring new skills particularly

green skills (Figure 6). Governments can also help to fill SMEs’ funding gaps by deploying capital through initiatives like Cambodia’s Skill Development Fund, which covers three-quarters of the cost of training needed to address a specific skills gap identified by the private sector. Employees also expect governments to play a key role in providing adequate recognition through certifications as well as access to diversified skilling programmes.

Organisations can embrace skills-based compensation by creating new financial incentives for employees to reskill or upskill, especially in cases where employees are taking the initiative to self-learn new skills. More than half of our survey respondents said that employers were primarily responsible for providing financial incentives for training, as well as information on the skills required for different roles.

**Figure 7: Survey respondents emphasise the key role of employers and government**

In your opinion, is the government, your employer or yourself responsible for supporting employees regarding the following issues? (% of respondents)



Source: Economist Impact, 2023.

# Fuelling the skills future

## **Prioritising employee well-being and flexibility will be key to addressing skills gap in the future**

Besides providing information and incentives to upskill and reskill, understanding and prioritising employee needs, whether its more workplace flexibility or greater support for mental well-being, will ultimately drive the motivations of employees and as a result, the success of skilling initiatives.

Workforce flexibility was one of the main reasons for people leaving the workforce during the pandemic. More than three-quarters of employees in our survey reported that employee well-being and flexibility—encompassing location and working hours, work-life balance, and emotional and physical well-being—will remain among the most important considerations when choosing a workplace. More employees are prioritising their emotional health too, with nearly half of our survey respondents (46.2%) placing primary responsibility for supporting their mental well-being on their employers, clearly illustrating the expectations employees have of their employers.

Employees across the board are facing a lot of pressure to upskill and reskill. Many are juggling long work hours and find it hard to take out time for learning. In absence of a solid support system that prioritises worker well-being, organisations and governments will find it hard to keep up the motivations for upskilling and reskilling.

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**LONDON**

The Adelphi, 1-11 John Adam  
Street, London, WC2N 6HT  
United Kingdom  
Tel: (44.20) 7576 8000  
Fax: (44.20) 7576 8500  
Email: london@economist.com

**GENEVA**

Rue de l'Athénée 32  
1206 Geneva  
Switzerland  
Tel: (41) 22 566 2470  
Fax: (41) 22 346 93 47  
Email: geneva@economist.com

**NEW YORK**

750 Third Avenue  
5th Floor  
New York, NY 10017  
United States  
Tel: (1.212) 554 0600  
Fax: (1.212) 586 1181/2  
Email: americas@economist.com

**DUBAI**

Office 1301a  
Aurora Tower  
Dubai Media City  
Dubai  
Tel: (971) 4 433 4202  
Fax: (971) 4 438 0224  
Email: dubai@economist.com

**HONG KONG**

1301  
12 Taikoo Wan Road  
Taikoo Shing  
Hong Kong  
Tel: (852) 2585 3888  
Fax: (852) 2802 7638  
Email: asia@economist.com

**SINGAPORE**

8 Cross Street  
#23-01 Manulife Tower  
Singapore  
048424  
Tel: (65) 6534 5177  
Fax: (65) 6534 5077  
Email: asia@economist.com